

Memorandum

To:	Council	File #:	6700-20-194
CC:		Date:	July 7, 2020
From:	Planning and Development – Development Planning		
Subject:	OCP amendment and Rezoning – Lots 17-20 Henry Street – Update prior to Public Hearing		

This memo relates to the OCP amendment and Rezoning application for Lots 17-20 Henry Street. OCP amendment Bylaw 3258 and Rezoning Bylaw 3259 were given First and Second reading at the June 2, 2020, Special Council Meeting. The bylaws were also referred to a Public Hearing, with the hearing to take place once the details of the affordable housing component have been established and the geotechnical peer review has been completed to staff satisfaction. This memo provides Council (and interested community members that might review these materials ahead of the Public Hearing) with an update.

Affordable Housing Component

As set out in the June 2, 2020 Council report an affordable housing component is proposed, that includes:

- up to 148.6m² (1,600ft²) of residential floor area to be provided to a non-profit affordable housing operator;
- 17 units offered as rent to own to local buyers; and
- the inclusion of six units with lock-off suites.

The provision of the affordable housing unit and other housing elements will be secured through a Housing Agreement Bylaw that will be brought forward to Council for consideration, prior to any future consideration of adoption of the OCP amendment and rezoning bylaw and associated development permit issuance.

Kinsight Affordable Housing Unit:

The applicant is proposing to provide a minimum of 148.6m² (1,600ft²) of residential floor area to be provided via a partnership with a non-profit affordable housing operator and has a tentative agreement with Kinsight as the potential non-profit to which the strata unit would be allocated. Kinsight works with families, youth and adults with developmental delays or disabilities to support growth, development and personal well-being. From a housing provision perspective, Kinsight's focus is on inclusive models of housing that are more reflective of the general population, that are designed to help people to establish relationships in their neighbourhoods and allows people to age in their homes, enjoy varied levels of independence and support, and minimizes long term disruption.

Key details related to the provision of the Kinsight unit include:

- The unit will consist of a 2 bedroom, 1 bathroom suite with full kitchen and laundry facilities, with two 'lock off' studios each of which would have their own basic food preparation area, living/sleeping area and bathroom/shower. The unit will also be entitled to two parking stalls and access to and use of common amenity space. The large unit

with lock-offs is intended to allow for greater flexibility to allow for support services and broader housing affordability.

- It is proposed to provide the unit at a rental rate not in excess of BC Housing Income Limits (HILs) rates, (which based on 2019 rates would result in a maximum rent of \$2,087.50 for a four bedroom unit). However, Kinsight's intent in housing individuals with developmental disabilities is to apply shelter rates, which based on current monthly rates is currently \$375 per person;
- The estimated design and construction cost of delivering the affordable housing unit is approximately \$800,000 (costs associated with land, financing, and municipal charges are not included as part of the proposed funding arrangement);
- The applicant is proposing to provide \$200,000 towards the delivery of the unit;
- The applicant has committed to provide a \$344,000 (for 172 residential units) Community Amenity Contribution (CAC) towards the Affordable Housing Reserve Fund (AHRF), which would be due prior to any future Bylaw adoption/Development Permit issuance;
- The applicant is proposing that Council consider allocating the AHRF portion of CAC (\$344,000 of the total \$1,032,000 CAC) towards the provision of the affordable housing unit;
- The applicant is proposing that through a partnership funding arrangement that the non-profit would pay the outstanding cost of the unit, which would be approximately \$256,000 if the CAC is allocated towards the provision of the unit, or \$600,000 if the AHRF portion of the CAC is not allocated towards it. Any additional cost overruns, over the total \$800,000 will be covered by the proponent to ensure Kinsight's financial commitment is not exceeded;
- The applicant is also proposing as part of the rent-to-own program, to give Kinsight priority, should they wish, to purchase up to two of the rent-to-own units.

The CAC Corporate Policy states that Council may, at its discretion, waive some or all of the Community Amenity Contribution as part of a rezoning where affordable housing or another public amenity is being directly provided by the applicant. Accordingly, Council may at any point decide to waive this CAC amount, in order that it be allocated towards the provision of the unit.

As an alternative to the provision of the affordable housing unit, should the \$344,000 not be allocated towards the affordable housing unit and a non-profit, for financial reasons, are not able to pursue the unit, the applicant has stated that they are still committed to the additional financial contribution of \$200,000 as well as the \$346,000 CAC component (for 173 residential units) to the AHRF. The applicant has also indicated that not providing the affordable housing unit would allow them to amend the rent-to-own and lock-off suites elements, as set out below, to provide three additional rent-to-own units (for a total of 20 units) and include an additional lock-off suites (for a total of seven units).

Staff will continue to work with the applicant on finalizing details of the affordable housing unit Housing Agreement and related Bylaw, which will then be brought forward for Council consideration.

Additional Housing Program Elements

Rent to Own Program:

17 units (or 10% of all units) will be offered as Rent-to-Own to local buyers, as discounted forms of housing tenure, where a small deposit and, upon occupancy, rent payments over two years

would then be applied to the developer-financed purchase price. Unit sizes and rents will be as follows:

- studios (average 475 sq.ft., \$1,200/mth rent)
- 1-bdrm (average 575 sq.ft., \$1,500/mth rent)
- 2-bdrm (average 875 sq.ft., \$2,200/mth rent)

Lock-Off Suites:

6 larger, 3-bedroom units are to include lock-off studios, an option not widely available in the market, that allows both flexibility of use, including the ability to rent out separately to assist financially with mortgage payment and provide additional rental units within the City. Key elements of the lock-off suites include:

- Lock-off suites will be a minimum size of 20m² (215ft²) and a maximum size of 28m² (300ft²);
- Will be physically separated from the remainder of the unit by partitions and a door to ensure privacy and to isolate noise and odours;
- Will be equipped with separate bathroom facilities to include a wash-basin, water closet and a shower or bath;
- Will have private kitchen facilities to include counter space, a cooking heat source and refrigerator;
- Will either have its own clothes washer and dryer or be shared through access to the unit entry;
- Will have adequate ventilation and access to natural light;
- Will allow for both long-term and short-term rentals (subject to strata bylaws) to allow for flexibility of use.

Key elements of the rent to own units and the lock-off suites will also be further established and formalized through the Housing Agreement.

Geotechnical Report Peer Review

Given the location of the site at the foot of the Chines hillside and that the lot falls within the Development Permit Area 5: Hazardous Conditions due to the existence of steep slopes and the potential for soil liquefaction, ensuring all geotechnical aspects associated with the project have been fully addressed is of paramount importance. Accordingly, a peer review of the submitted geotechnical report and related stormwater management plan has been undertaken by the City, with the cost being recovered from the applicant. Key findings of the peer review of the geotechnical report, include:

- the geotechnical report and related stormwater management plan generally comply with the intent of current regulations and follow best management practices for development on steep slopes. However, the limited geotechnical investigation to date leaves questions and gaps in data that need to be addressed, if the project moved forward; and
- In relation to the proposed excavation and related shoring system, additional geotechnical investigation is required, to include the drilling of additional test holes that cover the full extent of the proposed excavation. Such further investigation is needed (as was acknowledged in the proponent's geotechnical report) to better understand geotechnical and groundwater conditions and the associated impact that the excavation will have on the existing groundwater conditions.

In order to allow for additional geotechnical investigation work to be completed some additional site clearance would be required, to include the removal of trees, in order to enable drill access.

Such work would be required to be completed, should the OCP amendment and rezoning bylaws receive third reading, prior to bylaw adoption and as part of issuance of a Development Permit for Hazardous Conditions. Additional geotechnical investigation associated with more detailed design will also be subject to further peer review, in order to determine that it meets current regulations and best management practices.

Clarifications

In relation to questions that came up at the June 2, 2020 Special Council Meeting the following clarifications are provided.

Balconies for units:

Having followed up with the proponent for clarification, the applicant has committed to provide balconies for all units in compliance with the related Official Community Plan guidelines and this will be addressed as part of any future Development Permit.

Elevator access to rooftop outdoor amenity space:

There are three elevators within the building, two of which provide access to the common amenity space on the roof.